

Message Text

UNCLASSIFIED

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11

ACTION NEA-10

INFO OCT-01 ISO-00 EB-07 COME-00 /018 W

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R 05082Z FEB 76

FM AMEMBASSY TEHRAN

TO SECSTATE WASHDC 5460

UNCLAS TEHRAN 1202

E.O. 11652: NA

TAGS: BGEN, IR

SUBJ: IRANIAN QUERY ABOUT EQUIPMENT MANUFACTURERS

REF: STATE 24490

1. AS FAR AS EMBASSY IS AWARE, KWPA'S REURST FOR NAMES OF FISCHBACK-MOORE'S(F&M)U.S. SUPPLIERS IS AN ISOLATED INSTANCE AND DOES NOT SEEM TO BE A DEVELOPING PRACTICE. DEPARTMENT WILL RECALL THAT WHEN EMBOFF SPOKE WITH KWPA OFFICIAL ON DECEMBER 14 (75 TEHRAN 12080) LATTER OFFICIAL WAS MOST EMPHATIC IN SAYING THAT F&M'S BID WAS STILL TOO HIGH RELATIVE TO EARLIER QUOTATIONS KWPA HAD IN HAND. AS DEPARTMENT IS AWARE, THROUGHOUT THE GOI THERE IS A HIGH LEVEL OF CONCERN OVER ESCALATING PROJECT COSTS ACROSS THE BOARD. EMBASSY JUDGES THAT KWPA'S ATTEMPTED END-RUN IN THIS INSTANCE WAS ONLY ANATTEMPT TO SEEK VERIFCATION, IF SUCH EXISTS, THAT F&M'S QUOTED PRICES WERE OUT OF LINE WITH THE "NORM." GIVEN GOI SENSITIVITIES ON THIS PRICE ISSUE, WE WOULD NOT BE SURPRISED TO SEE EOME FURTHER INSTANCES OF THIS KWPA PLOY BEING TRIED BY OTHER GOI AGENCIES.

AT THE MOMENT, HOWEVER, WE WOULD NOT DESCRIBE IT AS SETTLED POLICY.

2. WHAT HAS BECOME A FAIRLY WIDESPREAD PRACTICE NOW, AND WILL PROBABLY BECOME EVEN MORE SO IN THE MONTHS AGEAD, IS GOI'S USE OF THE TENDER PROCESS AS SIMPLY A POINT OF DEPARTURE. THUSJA LOWEST FOREIGN BIDDER CAN EXPECT TO FACE HARD BARGAINING ON THE PRICE WITH REAL POSSIBILITY THAT PROJECT WILL BE RE-TENDERED IF GOI IN THE END NOT SATISFIED ON LWEST BIDDER'S LAST BEST PRICE. EMBASSY'S SEPTTEL ON ENVIROGENICS/CHAH BAHAR SITUATION UNCLASSIFIED

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WILL FURTQER ILLUSTRATE THIS POINT.

HELL

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NNN

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*** Current Handling Restrictions *** n/a

*** Current Classification *** UNCLASSIFIED

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: n/a
Control Number: n/a
Copy: SINGLE
Draft Date: 05 FEB 1976
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Authority: n/a
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01 JAN 1960
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1976TEHRAN01202
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: n/a
Errors: n/a
Film Number: D760044-0083
From: TEHRAN
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1976/newtext/t19760296/aaaagbuy.tel
Line Count: 76
Locator: TEXT ON MICROFILM, TEXT ON-LINE
Office: ACTION NEA
Original Classification: UNCLASSIFIED
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: n/a
Previous Handling Restrictions: n/a
Reference: 76 STATE 24490
Review Action: RELEASED, APPROVED
Review Authority: blochd0
Review Comment: n/a
Review Content Flags:
Review Date: 17 JUN 2004
Review Event:
Review Exemptions: n/a
Review History: RELEASED <17 JUN 2004 by BrownAM>; APPROVED <06 DEC 2004 by blochd0>
Review Markings:

Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
04 MAY 2006

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: <DBA CORRECTED> gwr 970917
Subject: IRANIAN QUERY ABOUT EQUIPMENT MANUFACTURERS
TAGS: BGEN, IR, BGEN
To: STATE
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 04 MAY 2006